Speech by Mr. Bertie Ahern to the Irish Senate Special Select Committee on Brexit, Dublin, April 6th, 2017.

Introduction.

Senator Richmond, Members,

At the outset, I would like to congratulate your Senate special select committee for holding this session today to discuss the implications for Ireland from Brexit.

In its history, Seanad Eireann has always been to the forefront in discussing the most difficult political issues facing our country. And today is no exception. Brexit is the most serious challenge facing our country at this time. We all know that the referendum result from last year is having far reaching consequences - for Britain - for the people living on island of Ireland and for the European Union. Indeed Brexit is having consequences in a geo-political context as well.

Last week's transmission of the Article 50 letter by the British government to the President of the European Council Donald Tusk brings to an end in two years time British membership of the European Union. The terms of Article 50 of the Lisbon Treaty are very clear. Once a member state has formally triggered the provisions of Article 50 then that country ceases to be a member of the EU after a period of two years.
This timeframe can only be changed with the unanimous agreement of the remaining 27 EU member states. It is clear that both sides to these negotiations want to conclude the terms of British withdrawal of the EU within this two year timeframe. Contracting parties to these negotiations also have to work out a framework for the future relationship between Britain and the EU and vice-versa.

**Ireland – Britain – EU relationship.**

Consecutive Irish and British governments have worked together for many years in Europe in addressing key economic, social and political issues. In fact, applications to join what was then the European Economic Community were submitted by both the Irish and British governments in 1961.

Ireland and Britain formally joined the EEC as full members together in January 1973.

It is clear though now that Ireland and Britain are moving in different paths when it comes to our respective relations with the European Union. Britain will cease to be a member of the EU in two years time. According to a 2016 EU barometer poll, 77 per cent of people living in the Republic of Ireland have a positive viewpoint concerning the future development of the European Union.
That said, we must all be respectful of the democratic decision taken by the British people in the referendum of June 23\textsuperscript{rd} last year to vote in favour of Brexit.

Yes - we are living in unprecedented times. The European Union has never had to face such a challenge before that entailed negotiating the departure of a country that is the second largest economy in Europe.

That said, while we are facing unchartered waters, it does not mean that the contracting parties to these forthcoming negotiations cannot reach an agreement concerning both the terms of the withdrawal of Britain from the EU and put in place the framework for the future relationship that Britain is going to have with the European Union and vice-versa.

The challenges ahead are very difficult but they are not insurmountable. We have to seek to address the issues that need to be tackled in as positive a manner as we can. Mutual respect and a resolute determination to strike a deal must underpin these forthcoming political negotiations.

I welcome the fact that the tone of the language being used by both sides to these discussions is somewhat more conciliatory than was the case in the aftermath of the referendum of June last year. This is extremely important because inflammatory language is most unhelpful when governments are engaged in sensitive international negotiations. It is
easier to dock a ship in calm waters than it is if there is gale force wind blowing over it’s bow.

**Experiences at an EU level.**

In a European context, I have had the privilege of attending meetings of EU heads of state and government for eleven years. I was President of the European Council in 2004 when ten new countries acceded to the European Union. I was involved between the years 1997 and 2008 in overseeing either the ratification or the negotiation of a number of European international agreements, including the Amsterdam, Nice and Lisbon Treaties. I was a signatory to the Maastricht treaty in 1992 that paved the way for the introduction of the single European currency.

Securing agreement for the terms of all these treaties above involved hard, tough and pain staking negotiations. But agreement was secured in the end with regard to the terms of both these new policies and new treaties.

The foundation of the European Economic Community itself and the re-unification of Germany required reserves of courageous leadership by the key negotiators involved.

The point that I would like to emphasise is that the EU has negotiated it’s way through complex political problems in the past. It can do so again with regard to the political issues of both the withdrawal of
Britain from the EU and agreeing the terms of the future relationship that Britain will have with the European Union and vice-versa.

Political leadership at the highest level in Europe and a will to succeed are going to have to be cornerstones of these Brexit negotiations if a final agreed solution is going to be secured.

**The key principles under-pinning the Brexit negotiations.**

The European Union is built on a legal framework of different regulations and directives and a variety of EU treaties have vested the EU institutions with a number of direct powers and competences.

These treaty based legal provisions mean that countries that are either members of the EU or that seek to negotiate access to the market place in the EU have legal obligations that must be complied with and that cover a range of different issues. Within this context, arguably the most difficult challenge over the next two years will be to agree a trade deal between Britain and the EU. In fact, without a trade deal, there will be no Brexit agreement. 44% of all British goods are sold into the European Union at this time. 16% of all EU products are exported into the British market place.
The President of the European Council Donald Tusk made it clear last week the underlying principles that will need to underpin any new trading agreement:

- Any free trade agreement must be balanced, ambitious and wide ranging. But it cannot, however, amount to participation within the single market or parts thereof.
- A future EU-Britain trade deal must ensure a level playing field in terms of competition and state aid and it must encompass safeguards against unfair competitive advantages.
- Preserving the integrity of the single market excludes participation based on a sector by sector approach.

It is undoubtedly the case that if a trade deal is reached then a transitional period of a number of years will have be put in place post March 2019 so as to allow any new trading arrangements to take effect between the EU and Britain. Business people need be certain of the rules governing any trading environment. Both parties to these negotiations must be very cognisant of this fact at all times. The quicker that uncertainty can be removed from this Brexit process the better.
Brexit is a disruptive process in itself. It is incumbent on the key contracting parties to minimise the levels of disruption that any future changes will bring about to as great an extent as possible. Substituting new rules for those of the single market is even more complicated than agreeing on a free-trade deal, for they intrude into almost every part of business activity. The vast spread of policies that must be changed post-Brexit, besides the economic and legal impacts, includes chapters on a new migration regime, financial services regulation, competition policy, regional aid, state aid, industrial policy, transport, agricultural support and higher education.

In truth, the nub of the single market is not its scrapping of tariffs or even customs checks, but its getting rid of myriad non-tariff barriers thrown up by different rules and standards. The point that if Britain wants to retain barrier-free access to the single market, it may have to observe all EU regulatory standards anyway.

If a comprehensive trade agreement cannot be made in two years, an obvious conclusion follows, some transitional arrangement will be needed after March 2019. Mrs May’s letter nods to this by talking about “implementation periods”. The trouble is that any such arrangement may itself be hard to agree on, especially if there is lack of clarity over the final destination. The simplest idea is to prolong the status quo, but that
may be hard for Mrs May to sell at home if it entails both free movement of people and a role for the ECJ.

**Implications for Ireland.**

Central to any final agreement that the British government reaches with the European Union must enshrine two key elements that are of a critical importance to the people living on the island of Ireland.

Firstly, people must be able to move freely between Britain and Ireland without restriction and in an unencumbered manner. Such a system of having free movement of people between our respective countries pre-dates British and Irish membership of the European Economic Community in 1973. 30,000 people also cross the border every day now between the Republic of Ireland and Northern Ireland.

Secondly, we must ensure that a common trading area between Ireland and Britain remains in place. 1 billion euro worth of trade is carried out between Britain and Ireland every week. Britain is Ireland’s largest trading partner in the world. Britain is Ireland’s number one food export destination, accounting for nearly 40% of all Irish food and drink exports that include prepared consumer goods,
beef, poultry, sheep meat, seafood, horticulture and cereal products. Trade in services between our two countries is now increasing too in the fields of clean technology, electronics and the engineering sectors. Annual trade from the Republic of Ireland to Northern Ireland exceeds annually 1.5 billion euro and leading traded products include food, beverages, animal oils and manufactured goods. So if any restrictions were to be put in place relating to the trade in goods and services between Ireland and Britain, this would have a negative economic outcome.

I welcome the recognition that was given by the British Prime Minister Theresa May in the article 50 letter to Irish political concerns. This letter states clearly some of the key objectives that must be achieved in the context of the forthcoming Brexit negotiations and they include the following:-

- There can be no return of a hard border on the island of Ireland.
- The common travel area between Britain and Ireland must be maintained.
- The peace process must not be jeopardised.
- The provisions of the Good Friday Peace agreement must be upheld.
I welcome too the provisions of the draft EU negotiating paper on Brexit that was published last Friday. It recognises the need for flexible and creative solutions that aim to avoid a hard border on the island of Ireland in support of the Irish peace process.

The European Union Commission negotiator on Brexit Michel Barnier understands these problems very well in an Irish context as well. I worked with him very closely when he was the member of the European Commission with responsibility for regional affairs between the years 1999 - 2004. This was a period when both substantial EU regional and EU peace funding was secured to support the development of Northern Ireland and the border region. Michel Barnier was the EU Regional Affairs Commissioner for a five year period shortly after the enactment of the Good Friday Peace Agreement in 1998.

Guy Verhofstadt, the former Belgian Prime Minister is the European Parliament rapporteur on Brexit. He too supports a solution from these Brexit talks that will not diminish the Irish peace process in any shape or form.
The European Union has always been to the forefront in supporting the peace process on the island of Ireland. The EU was a very early supporter of the International Fund for Ireland (IFI) programme when it was set up in 1986. And the European Union has always financially backed different EU peace programmes that have been put in place in Ireland since the mid 1990s.

There is no reason why the European Union cannot continue to support the peace process in Ireland within the changing new political architecture of the European Union.

The Irish peace process is being supported in a very concrete sense by countries around the world. This includes the United States of America, Canada, Australia and New Zealand.

The European Union is a peace process in itself and stakeholders that support the EU should do more to re-iterate this important political point to the people of Europe as often as they can.
Northern Ireland.

Between the period 2007 – 2013, 9% of GDP in Northern Ireland was accounted for via EU financial transfers. Two thirds of this figure was EU support for the agriculture sector. EU financial support continues to play an important role in developing the economy of Northern Ireland.

New policies are going to have to be implemented so as to substitute or replace or transitionally support a number of key EU funding instruments post Brexit. This includes, for example, the European Regional Development Fund, the European Social Fund, the European Maritime and Fisheries Fund, the European Territorial Cross Border Co-operation Initiative and the EU Horizon research, innovation and science 2020.

At the moment, 87% of financial support to the farmers of Northern Ireland emanates each year from the Common Agricultural Policy itself.

The present EU financial framework period that supports these abovementioned different programmes runs between the years 2014 - 2020.
Conclusion.

I do believe that a new political and economic arrangement can be agreed between the European Union and Britain over the next two years. But it is going to require a resolute determination to succeed from both sides if a final deal is to be reached. Mutual respect for one another and high levels of courage are going to have to be displayed by the contracting parties to these negotiations.

But no one should underestimate for one moment the very real challenges that will have to be overcome if an agreement is to be secured. That said, as Oscar Wilde once re-counted “success is a science; if you get the conditions, you get the result.”

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